

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

5th MAY. 1942.

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MONTHLY DIGEST OF BUSINESS STATISTICS.M A Y, 1942.GENERAL.

Under pressure of enlistments and industrial expansion, unemployment has fallen to a very low level. There is a shortage of labour in rural areas and for some industries. The high level of incomes is reflected in high bank deposits, clearings, and retail sales.

Seasonal conditions are fairly satisfactory in most areas, but more rain is needed especially on the south-western slopes.

PUBLIC FINANCE.

State government revenue maintains a high level. The surplus of revenue over expenditure for July-March, 1941-42 was £m.1.3 compared with £m.0.67 for July-Feb., 1941-42 and a surplus of expenditure over revenue of £m.1.33 for July-March 1940-41.

N.S.W. GOVERNMENT CONSOLIDATED REVENUE AND BUSINESS UNDERTAKINGS.

Includes Unemployment Relief and Social Services Funds which were included with the Consolidated Revenue Fund as from July, 1941.

	NINE MONTHS ENDED MARCH.				
	1938	1939	1940	1941	1942.
Revenue £m.	40.74	40.41	42.36	46.99	49.42
Expenditure £m.	42.74	44.26	46.72	48.32	48.12
Excess Revenue over Expenditure £m.					1.30
Excess Expenditure over Revenue. £m.	2.00	3.85	4.36	1.33	

The Premiers' Conference rejected proposals for uniform taxation, based on the recommendations of the Commonwealth special committee on this subject. Nevertheless it is expected that the Commonwealth Government will introduce the legislation necessary to implement the plan.

The Commonwealth Taxation Advisory Committee has recommended that expenditure on air-raid precautions which does not result in lasting benefit to the taxpayer, should be allowed as a deduction for income-tax purposes.

AUSTRALIAN TRADING BANKS.

Over the six months ended Feb., 1942, deposits continued to rise rapidly and advances to fall. Deposits not bearing interest rose by £m.26.2 and deposits bearing interest by £m.1.9. Advances fell by £m. 16.3. The excess of deposits over advances has increased from £m.87.3 to £m.131.7.

Special war-time deposits with the Commonwealth Bank have increased from £m.7.8 in December, 1941 to £m.29.0 in February, 1942.

SAVINGS BANKS.

Subscriptions to the Commonwealth Loan which closed on March 10th, caused a fall in Savings Bank deposits during February and March. Total deposits are still well above the level of March, 1941.

The fall in the number of Savings Bank accounts is due to removal from the books of accounts of under £1 which have not been operated on for two years or more. This is usually done in March of each year.

Despite the Commonwealth Loan raised in Feb.-March, February purchases of War Savings Certificates were large.

/N.S.W.

N.S.W. SAVINGS BANKS AND WAR SAVINGS CERTIFICATES.

End of Month.	Number of Savings Banks Accounts.	Savings Bank Deposits.	Savings Bank Deposits. Increase from Preceding Month.	War Savings Certificates Monthly Purchases Less Repayments.
	000	0000	£'000	£'000
1939, March	1,315	86,269	-322	(First issued March, 1940).
1940, March	1,319	86,759	-408	34
1941, March	1,322	86,737	602	215
1942, March	1,340	89,459	-1,188	x
1941, Oct.	1,381	91,314	580	14.9
Nov.	1,389	91,499	185	207
Dec.	1,389	91,658	159	292
1942, Jan.	1,389	92,973	1,315	239
Feb.	1,379	90,647	-2,326	347
Mar.	1,340	89,459	-1,188	x

x Not available.

INVESTMENT YIELDS.

Share prices continued to fall during March, but recovered slightly during April. The Sydney Stock Exchange share price index stood at 93.9 on March 30th, but rose to 96.24 by April 27th.

The yield on part-taxed Commonwealth bonds was unchanged over the month. The rate of interest paid on urban first mortgages has fallen slightly. Little mortgage business is being transacted.

An amendment to the Capital Issues Regulations, limits the interest payable by declared pastoral companies. After 20th April, only 10% per annum may be paid on deposits by a person other than a bank.

N.S.W. INVESTMENT YIELDS.

MONTH.	Share Prices Sydney 34 Active shares par = 100 (Govt. Statistician's Index).	YIELD ON COMMONWEALTH GOVERNMENT SECURITIES TAXED AT 1930 RATES.		RATE OF INTEREST ON FIRST MORT- GAGES ^o Three months ended month shown	
		5 years & under 10	10 years & over.	Rural	Urban
		%	%	%	%
1939, Sept.	180.0	3.98	4.04	5.2	5.5
1940, Mar.	186.2	3.51	3.52	5.4	5.7
1941, Mar.	183.1	2.94	3.02	5.0	5.5
1942, Mar.	147.2 [☆]	3.07	3.17	5.0	5.5
1941, Oct.	185.6	3.06	3.19	4.9	5.5
Nov.	181.5	2.94	3.13	4.9	5.5
Dec.	171.2	2.94	3.09	4.9	5.5
1942 Jan.	166.0 [☆]	2.92	3.04	5.0	5.5
Feb.	156.5 [☆]	3.07	3.17	5.0	5.5
Mar.	147.0 [☆]	3.07	3.17	5.0	5.4

x Last Wednesday in month.

^o Weighted average rate excl. mortgages to banks and Government.

☆ Share transactions ceased from 20th Feb., to 10th March, inclusive.

EMPLOYMENT.

From December, 1941 to January, 1942 the number of employed males in N.S.W. fell by 0.9% and the number of employed females by 1.2%. A fall in total employment occurred in all States, but the decrease was greatest for N.S.W. and Western Australia.

The decline in employment is partly seasonal, but mainly due to the call-up of men for military service.

N.S.W. - ESTIMATED TOTAL EMPLOYMENT (EXCL. RURAL & HOUSEHOLD DOMESTICS).

MONTH.	M A L E S.			F E M A L E S.			T O T A L.		
	Government (C'wlth., State & Local.)	Private	Total	Government (C'wlth., State & Local.)	Private	Total	Government (C'wlth., State & Local.)	Private	Total
	'000	'000	'000	'000	'000	'000	'000	'000	'000
1933 June	103.2	275.7	378.9	16.8	101.8	118.6	120.0	377.5	497.5
1939 July	136.5	399.1	535.6	19.4	141.3	160.7	155.9	540.4	696.3
1941 Sept.	143.4	435.3	578.7	22.4	187.9	210.3	165.8	623.2	789.0
Oct.	143.7	434.7	578.4	22.7	190.2	212.9	166.4	624.9	791.3
Nov.	144.3	433.9	578.2	23.0	193.0	216.0	167.3	626.9	794.2
Dec.	146.4	428.2	574.6	23.4	193.7	217.1	169.8	621.9	791.7
1942 Jan.	145.6	423.8	569.4	23.7	190.8	214.5	169.3	614.6	783.9

FACTORY STATISTICS.

Factory sales and no. of employees are lower than for the last quarter of 1941, but are still appreciably higher than the average for 1941. The reduction is largely a seasonal movement. Sales for February, 1942 are 17% higher than for February, 1941 and the no. of employees is 6% greater than a year ago. These figures cover certain defence contracts as well as production for civil needs.

N.S.W. MANUFACTURING INDUSTRY.

PERIOD.	42 LARGE FACTORIES.			ALL FACTORIES.
	Sales	Employees	Weekly Salaries and Wages.	Index of Unemployment 1928-29 = 100.
	£m.	Hundreds	Hundred £	
1938 monthly average	3.16	235	960	x 124
1939 " "	3.26	232	969	x 127
1940 " "	3.59	243	1,056	x 131
1941 " "	4.40	277	1,326	x 147
1941, Sept.	4.75	269	1,365	162
Oct.	4.99	285	1,428	163
Nov.	4.73	289	1,467	164
Dec.	5.40	288	1,555	163
1942, Jan.	4.52	282	1,459	-
Feb.	4.77	282	1,484	-

x Year ended June of year shown.

GAS AND ELECTRICITY.

The index of consumption of gas and electricity rose slightly during March, 1942 and was above the figure for March, 1941. Owing to brown-out regulations and the ban on the use of hot-water systems, the March figure was still below the average for 1941.

CONSUMPTION OF GAS AND ELECTRICITY.SYDNEY AND SUBURBS.

Base: Average corresponding month 1929-31 = 100.

Year.	Aug.	Sept.	Oct.	Nov.	Dec.	Calendar Year.	Jan.	Feb.	Mar.
1938-39	128	123	121	124	124	123	125	125	130
1939-40	135	134	135	136	131	131	136	135	130
1940-41	137	134	137	139	138	135	141	142	143
1941-42	151	151	154	152	153	148	141	145	146

TRADE AND COMMERCE.

Trade is still buoyant. The index of bank clearings for the three months ended March was 8% higher than for the corresponding period of 1941.

The index of the value of retail sales is higher for the three months ended February than for the three months ended January. The value of sales in February, 1942 was only 3.4% above that for February 1941. Retail prices have risen over the year, so there has been a slight fall in the volume of sales though the value has risen.

Real estate sales and mortgages registered are at a low level. The Commonwealth Government has now limited to £1,000 a year, the amount of borrowing on mortgage by a company or a private individual.

N.S.W. BANK CLEARINGS, WHOLESALE TRADE, REAL ESTATE.

PERIOD.	Sydney Bank Clearings ^o		N.S.W. Wholesale Trade Sales	Sydney Retail Trade Index of Sales Base: same period 1931.	N.S.W. Real Estate.	
	£m.	Index ^x Base: same period 1926-30.			Sales.	New Mortgages and Renewals (total urban and rural).
	£m.		£m.		£m.	£m.
1938	942.4	101	193.0	143	37.4	27.0
1939	932.3	100	200.3	146	32.2	22.4
1940	1,074.8	113	203.8	156	31.1	16.5
1941	1,139.4	120	229.0	178	33.2	15.6
1941 Mar.	89.4	110 [☆]	17.4	160 [☆]	2.7	1.3
Oct.	101.8	123 [☆]	18.3	205 [☆]	3.0	1.4
Nov.	99.6	124 [☆]	20.6	204 [☆]	2.5	1.0
Dec.	104.9	124 [☆]	20.3	184 [☆]	3.0	1.2
1942 Jan.	92.0	123 [☆]	-	160 [☆]	2.8	.9
Feb.	97.1	123 [☆]	-	166 [☆]	2.5	1.0
Mar.	102.6	119 [☆]	-	-	2.1	1.0

^o Excl. Treasury Bill transactions

^x Excl. Treasury Bill transactions and subscriptions to Government loans.

[☆] Three months ended month shown.

TRANSPORT.

Traffic on trams, 'buses and railways continues to be heavy and the excess of revenue over working expenses is high.

The railway statistics of passenger journeys and tonnage of goods carried include movements of troops and munitions, and so cannot be regarded as an index of civilian business activity.

Regular country train services are to be reduced from May 3rd. This measure is designed to meet the shortage of labour and the need to economies in the use of coal. It is expected that the mileage run by steam trains will be reduced by about one-third.

N.S.W. PUBLIC TRANSPORT.

PERIOD.	RAILWAYS - N.S.W.			TRAMS & 'BUSES - SYDNEY & NEWCASTLE.	
	Passenger Journeys.	Tonnage of Goods and Livestock	Excess of revenue over working (a) expenses	Passenger Journeys.	Excess of revenue over working (b) expenses
	'000,000	'000	£'000	'000,000	£'000
1938-39	186.7	15,417	4,603	375.2	667
1939-40	179.1	13,620	5,308	378.3	700
1940-41	194.1	18,031	6,054	406.9	858
1938-39 July-Feb.	126.0	9,791	3,283	247.2	429
1939-40 July-Feb.	118.9	10,928	4,581	250.7	488
1940-41 July-Feb.	125.5	12,247	5,593	266.8	627
1941-42 July-Feb.	142.6	12,223 (c)	5,780	320.5	554

(a) Excl. interest, sinking fund and exchange which amounted to £m.6.56 in 1939-40 and £m.6.62 in 1940-41.

(b) Excl. interest, sinking fund, exchange and current depreciation which amounted to £m.0.67 in 1939-40 and £m.0.66 in 1940-41.

(c) Partly estimated.

New motor registrations, and the total number of motor vehicles registered, continue to fall. New registrations in March 1942 were slightly over an eighth of the number in March 1941, and only an eighteenth of the number registered in March, 1939.

A bill to reduce motor registration fees by 20% has been introduced into the N.S.W. Legislative Assembly.

MOTOR VEHICLES - N.S.W.Excl. defence vehicles.

Month	New motor Registrations ^x (av. number per week).	Total number of Motor Vehicles registered.		
		Cars	Lorries & Vans	Total (incl. cycles, cabs etc.)
		'000	'000	'000
1939 Mar.	566	214	76	325
1940 Mar.	374	210	76	325
1941 Mar.	238	207	76	316
Oct.	82	191	75	297
Nov.	89	191	75	298
Dec.	94	184	76	295
1942 Jan.	49	184	75	288
Feb.	43	179	74	281
Mar.	32	173	73	274

^x Incl. cars, cabs, omnibuses, lorries and vans.BUILDING.

Private building continues to decline. Of the £56,000 of building permits granted during March, 1942, £35,000 were for suburban alterations and additions. Temporary alterations for A.R.P. purposes are excluded from these figures, but they include permanent alterations intended for a peace-time function as well.

The value of Government building outside the metropolitan area was considerably higher in March 1942 than the average for 1940 or 1941.

Administration of building control is to be transferred from the Commonwealth Treasury to the Department of War Organisation of Industry.

VALUE OF PERMITS TO ERECT NEW BUILDINGS & ADDITIONS.

Period.	Private Building			Government Building (contracts accepted)		
	City of Sydney.	Suburbs	Total.	Sydney and Suburbs.	Remainder of State.	Total
	£'000	£'000	£'000	£'000	£'000	£'000
1938	3,410	10,633	14,043	x	x	x
1939	1,886	10,334	12,220	x	x	x
1940	1,534	10,184	11,718	894	2,672	3,566
1941	552	10,295	10,847	1,444	2,694	4,138
1941 Oct.	15	753	768	172	202	374
Nov.	16	792	808	97	218	315
Dec.	49	490	539	39	522	561
1942 Jan.	8	239	247	88	579	667
Feb.	19	102	121	80	275	355
Mar.	10	46	56	15	340	355

x Not available.

RURAL INDUSTRIES.

Seasonal conditions. In sheep and wheat districts March rainfall was appreciably below the average for the month. For western sheep districts the rainfall index was only 42. Falls were satisfactory for the northern tablelands and slopes, south and central coast.

/Inland.....

In inland districts rainfall has been patchy and further falls are needed in most areas.

Early frosts on the northern tablelands have damaged late maize and vegetable crops.

RAINFALL INDEX.

Weighted average ratio of actual to normal rainfall. Average rainfall for each month = 100.

Month	Sheep Districts	Wheat Districts	Dairying districts (coastal only)
1941 July	47	67	40
Aug.	37	41	38
Sept.	56	47	30
Oct.	75	75	53
Nov.	78	65	88
Dec.	54	38	30
1942 Jan.	34	31	26
Feb.	147	158	180
Mar.	74	70	108

Export Prices. Although war conditions make export from Australia difficult, large purchases by the United Kingdom have maintained export prices at a level higher than the period immediately preceding the war. The sale of much of our exports by contract instead of on a free market has greatly reduced fluctuations in export prices.

AUSTRALIAN EXPORT PRICE INDEX (Aus. currency).

Base 1927 = 100

1939		1940		1941		1942		
June	Dec.	June	Dec.	June	Dec.	Jan.	Feb.	March.
65.4	77.9	81.8	81.8	85.0	83.2	83.2	83.2	83.2

Australian Food Council. In order to plan production and balance civil and defence needs, the Commonwealth Government has appointed an Australian Food Council. The Minister for Supply will be chairman, the Minister for Commerce, deputy-chairman. There will be two organisations under the Council: the Controller of Defence Foodstuffs, concerned with the requirements of the Australian and Allied Forces, and a special section of the Department of Commerce which will handle civil needs.

Stock Control. The National Security (Stock Dispersal) Regulations (gazetted 27/4/42) provide for the establishment of Commonwealth and State stock dispersal committees, they empower the Minister for Commerce and the Commonwealth Committee acting under him, to take such action over the control, collection, removal or destruction of stock as may be necessary for the defence of Australia.

Wool. Under the National Security (sheep shearing) Regulations, the pastoral districts of N.S.W., Victoria and Queensland have been divided into zones. In each zone shearing is prohibited between certain dates. The plan is designed to extend the shearing period and economise in the use of the limited labour supply.

The Commonwealth Government has decided to ask the British Government to review the wool acquisition agreement in May of this year. Wool growers claim that rising costs make the present price of 13.4d. per lb. too low.

/Meat.....

Meat. The poor condition of inland pastures has brought heavy supplies of sheep and lambs to the stock market. Prices have fallen very heavily.

Delay in extending canning facilities and establishing dehydration plants has meant that there is little market for second and third grade stock.

Dairy Produce. Butter production is showing a seasonal decline. Pastures in most dairying districts are in good condition.

Maize. The 1941-42 harvest is expected to be about 2.7 m. bushells. This is slightly below the small harvest of 1939-40 (2.8 m. bushels), and far less than the large 1940-41 crop of 4 m. bushels..

1941	1940	1939	1938	1937	1936	World ex-U.S.R. %
4,000	3,900	3,800	3,700	3,600	3,500	100
3,900	3,800	3,700	3,600	3,500	3,400	95
3,800	3,700	3,600	3,500	3,400	3,300	90
3,700	3,600	3,500	3,400	3,300	3,200	85
3,600	3,500	3,400	3,300	3,200	3,100	80
3,500	3,400	3,300	3,200	3,100	3,000	75
3,400	3,300	3,200	3,100	3,000	2,900	70
3,300	3,200	3,100	3,000	2,900	2,800	65
3,200	3,100	3,000	2,900	2,800	2,700	60
3,100	3,000	2,900	2,800	2,700	2,600	55
3,000	2,900	2,800	2,700	2,600	2,500	50
2,900	2,800	2,700	2,600	2,500	2,400	45
2,800	2,700	2,600	2,500	2,400	2,300	40
2,700	2,600	2,500	2,400	2,300	2,200	35
2,600	2,500	2,400	2,300	2,200	2,100	30
2,500	2,400	2,300	2,200	2,100	2,000	25
2,400	2,300	2,200	2,100	2,000	1,900	20
2,300	2,200	2,100	2,000	1,900	1,800	15
2,200	2,100	2,000	1,900	1,800	1,700	10
2,100	2,000	1,900	1,800	1,700	1,600	5
2,000	1,900	1,800	1,700	1,600	1,500	0

THE WHEAT SITUATION.

Owing to difficulty in obtaining statistical information, details of the world wheat situation are largely guesswork. The broad outlines are, however, clear. Importing countries, are likely to have smaller supplies of grain this year than last. In Europe shortage of other foodstuffs makes the position more serious, and diversion of grain from stock-feed to human consumption will increase the shortage of meat and dairy produce.

In exporting countries stocks continue to accumulate and there is a shortage of storage facilities. The position is being met by (1) reduction of acreage under wheat (2) diversion of supplies to stock-feed (3) use of wheat for production of power-alcohol. The first two of these should hasten adaptation to changed nutritional standards which demand a higher intake of dairy produce, fruit and vegetables and a lower cereal consumption. These changes should also help to counteract the serious depletion of the fertility of the soil that has resulted in all wheat-growing areas from continued overcropping and lack of attention to soil erosion and crop rotation.

PRODUCTION.

The following table summarises the latest estimates of wheat production in the main producing areas.

WHEAT PRODUCTION IN PRINCIPAL PRODUCING AREAS

(million bushels)

	1936	1937	1938	1939	1940	1941 ^φ
World ex-U.S.S.R. ^x						
Total	3,509	3,810	4,562	4,197	3,920	3,930
N.Hemisphere	3,038	3,343	3,944	3,792	3,467	3,466
S.Hemisphere	471	467	618	405	453	464
Four Chief Exporters						
U.S.A. & Canada	846	1,056	1,292	1,272	1,353	1,245
Argentina & Aus.	401	395	534	330	382	390
Total	1,247	1,451	1,826	1,602	1,735	1,635
Europe.						
British Isles	63	63	81	72	82	90
Four neutrals	156	156	149	162	111	143
Others ex-Danube	877	955	1,150	1,011	812	877
Lower Danube.	384	362	466	451	295	340
Total ex-U.S.S.R.	1,480	1,536	1,846	1,696	1,300	1,450
Other.						
French N.Africa	50	72	72	100	62	87
India	352	364	402	372	402	374
Other ex-U.S.S.R. ^x	380	387	416	427	421	384
U.S.S.R.	1,128	1,722	1,502

^xExcl. U.S.S.R., China, Iran, Iraq, Transjordan and various small producers, but includes Brazil and Peru.

^φ As of about Feb. 1, 1942. ("Wheat Studies" Jan.1942 p.223)

Australia. An increase in the estimates of the Victorian 1941-42 harvest to 47 million bushels, raises the total for Australia to 167 m. bushels.

/India.....

India. The third official estimate of wheat acreage sown for this season's crop is 33,543,000 acres. Wheat production is estimated at 9,948,000 tons.

STOCKS.

At the beginning of this crop year it was hoped that stocks at Aug.1, 1942 would be no larger than for the previous year. Since then, crop prospects in some areas improved and the area of hostilities extended, making wheat shipments far more difficult. Supplies intended to be sent from America to Russia in December have not left, and export from Australia is now very small. It is now expected that stocks at Aug.1 1942 will be about 1,775 m. bushels as compared with 1,550 m. bushels at Aug.1 1942.

The probable distribution of these stocks as estimated by Stanford University is shown in the following table.

CURRENT PROSPECTS FOR WHEAT STOCKS EX-U.S.S.R.,
EX-ASIA, about August 1st.
million bushels.

Position	1934-38 Av.	1940	1941	1942
U.S.A. wheat in N. America	160	282	387	610
Canadian wheat in N.America	121	300	480	400
North America.	281	582	867	1,010
Australia	55	130	70	145
Argentina	76	75	175	215
Four Exporters	412	787	1,112	1,370
Europe, Fr.N. Africa	343	545	390	360
Afloat, Egypt.	42	68	48	45
Total.	797	1,400	1,550	1,775

The U.S.A. carry-over might be reduced by about 100 m. bushels if the Government took vigorous measures for increasing the use of wheat for feed and for industrial purposes. Some action has already been taken in this direction.

Broomhall's estimate of the Canadian 1942 carry-over is only 362 m. bushels. This is on the assumption that large quantities of wheat will be fed to livestock. The livestock population has increased, coarse grains are relatively scarce and the late wheat crop of 1941 was badly weathered so that the grain was only fit for feed.

Broomhall's estimate of the Argentina carry-over is 145 m. bushels which is appreciably lower than the figure of 215 m. bushels quoted above.

If the lower estimates were realised in these three cases, the total 1942 carry-over would be reduced from 1,775 m. bushels to 1,565 m. bushels.

An official statement by the chairman of the Australian Wheat Board places Australia's stock of wheat in April 1942 at 162.3 m. bushels. Of this 145 m. bushels is 1941-42 wheat, 4.5 m. bushels is 1940-41 and the balance is stocks that have been sold but not yet shipped. The Stanford University estimates in the table quoted above assume that about a further 15 m. bushels of Australian wheat will be shipped before 1st Aug. 1942.

TRADE AUG.-DEC. 1941.

For Aug.-Dec. 1941 Stanford University's estimates of world net exports of wheat and flour total 150 m. bushels of which 135 m. bushels was from the four main exporting countries. This is probably the lightest Aug.-Dec. exports of this century, with the exception of 1917. An average of 241 m. bushels was exported for the corresponding period of 1934-38, and 258 m. bushels for the corresponding period of 1938.

Canada. Canada is still the only country maintaining the pre-war level of exports. During Aug.-Dec. 1941 Canadian wheat went mainly to the United Kingdom, but also to the Middle East, U.S.S.R. and European neutrals. Recent trade reports refer to large quantities of Canadian wheat being sent from the United Kingdom to Russia, but no official statement has been made.

Argentina. Argentine exports for Aug.-Dec. 1941 were only a little below average. Over half her exports went to South America, chiefly Brazil. About 8 m. bushels went to the United Kingdom and about 3 m. bushels to Spain.

U.S.A. For Aug-Dec. 1941, exports from U.S.A. included small amounts of flour to China and the Philippines, subsidised exports of flour to Central and Southern America and a small amount under the lease-lend programme. 3 m. bushels to Mexico was almost the only export of wheat grain.

Australia. Of the four chief exporting countries, Australia suffered the largest reduction in exports for Aug.-Dec. 1941. Oriental markets were reduced by exchange controls, freezing of Japanese funds and lack of shipping. They were later completely closed by development of the Pacific War.

TRADE - ESTIMATES 1941-42.

The following table shows estimates of world trade for 1941-42 in relation to the actual trade of previous years. In view of the present war situation the estimates given for Australia and Argentina may be too high.

WORLD NET EXPORTS OF WHEAT & FLOUR
(million bushels)

Aug.-July.	Total	Canada	U.S.A.	Australia	Argentina	Others
1936-37	623	210	Nil	102	162	149
1937-38	555	89	117	126	72	151
1938-39	643	158	103	96	122	164
1939-40	625	192	45	86	179	123
1940-41	495	231	31	90	96	47
1941-42 ^x	410	230	20	30	85	45

^xForecast

("Wheat Studies" Jan. 1942 - p.219)

EUROPE.

Statistical information is meagre. It is generally accepted that the 1941 harvest of bread grain was above that of 1940 but below the pre-war average. Estimates of the wheat crop range from 1,580 m. bushels (International

Institute of Agriculture - Rome) to 1,480 m. (Broomhall) 1,450 m. (Stanford University) and 1,410 m. (U.S.A. Dept. of Agriculture). The average European wheat harvest for 1934-38 was 1,597 m. bushels and the 1939 crop totalled 1,696 m. bushels.

The bread position for Europe ex-U.S.S.R. is slightly worse for 1941-42 than for 1940-41. The total food position is considerably worse. The 1941-42 continental harvests of sugar-beet, oil-bearing plants and potatoes were above average but are still insufficient. There is a serious shortage of meat and dairy produce. Bread is now rationed throughout Europe except in U. Kingdom, Eire and Switzerland and Portugal. In most countries the ration was reduced during 1941. Supplies in Greece and Poland are at famine levels and Spain, Belgium, France, Finland and Norway face serious food shortages.

A radio message from Berne early in April reports a statement by the Prefect of Marseilles that France urgently needs 5 m. bushels of wheat to bridge the gap until the new harvest is available. A further reduction of the bread ration is said to be impossible. 14 m. bushels is said to have been kept from normal consumption by black market operations and farmers withholding their crops.

In October the Italian bread ration was reduced considerably below the normal standard and sales of potatoes, eggs, milk and cheese were restricted. Rations of meat, fats, oil, sugar and macaroni are very low. Sale of cakes and pastries has been banned and restaurant meals limited to a few prescribed courses.

PRICES.

In all countries wheat prices are subject to some measure of government control. The main features of the control in different countries have been outlined in previous issues.

In U.S.A. alone of the four main exporting countries have wheat prices risen during the year. In Canada and Argentina, wheat prices have not risen with the general price level.

DECEMBER WHEAT PRICES IN MAJOR EXPORTING COUNTRIES.

Country.	Domestic Currency.			Deflated. ^x		
	1934-38 Av.	1940	1941	1934-38 Av.	1940	1941
U.S.A. (cents per bushel)	101	89	124	119	106	127
Canada (cents per bushel)	87	68	69	108	77	71
Argentina (pesos per quintal)	8.80	6.75	6.75	8.20	5.31	3.99
Australia (pence per bushel)	44.4	51.4	51.4	50.3	50.4	50.4

^x Prices deflated by general indexes of wholesale prices 1929=100.

("Wheat Studies " Jan. 1942 p.201)

During Aug.-Dec. 1941 European wheat prices were higher than at any time during the last five years but in ~~Britain~~ Germany and probably France and Italy they rose less than the prices of other commodities.

EUROPEAN DOMESTIC WHEAT PRICES.

December	United Kingdom shillings per cwt.		Germany ^x r.m.per quintal	France ^x francs per quintal	Italy ^x lire per quintal	Bulgaria ^x leva per quintal	Rumania lei per quintal	Yugoslavia ^x dinars per quintal
	Standard	Gazette.						

A. Domestic currency.

1937	10.0	8.58	20.6	184.0	125	320	522	178
1938	10.0	4.29	20.5	208.5	135	340	418	160
1939	11.0	7.10	20.4	202.0	135	350	452	193
1940	14.5	14.58	20.4	220.0	155	430	850 ^x	313 ^x
1941	14.8	14.75	20.6	294.5	155	520	1,100 ^x	350 ^x

B. Deflated (by wholesale pr.indexes 1929=100)

1937	10.5	9.0	26.8	182	124	492	661	225
1938	11.6	5.0	26.6	191	124	507	516	208
1939	10.3	6.6	26.2	∅	∅	500	435	214
1940	11.2	11.2	25.2	∅	∅	489	531	219
1941	11.0	10.9	25.1	∅	∅	525	553	227

^x Fixed prices to producers, in Germany for the Berlin area. ("Wheat Studies"
∅ Wholesale price index not available. Jan.1942 p.227)

U.S.A. and Canada. From Sept.Jan. U.S.A. futures showed a large margin above spot prices. As storage facilities have become less congested this position has eased somewhat. The price fall from the peak values of January continues.

Canadian wheat prices have remained fairly stable through 1942. The margin between Canadian and U.S.A. prices has led to considerable import of Canadian wheat into U.S.A. for milling in bond for export. Import for U.S.A. domestic consumption is limited by a quota.

/NORTH.....

NORTH AMERICAN WHEAT FUTURES - JULY OPTIONS.per bushel.

Average for Month.	Chicago U.S.A. cents	Winnipeg Canadian cents.
1940 Mar.	101 $\frac{3}{8}$	90 $\frac{1}{8}$
1941 Mar.	83 $\frac{11}{16}$	79 $\frac{5}{16}$
Oct.	121 $\frac{13}{16}$	not quoted
Nov.	120 $\frac{9}{16}$	78 $\frac{1}{2}$
Dec.	126 $\frac{7}{16}$	79 $\frac{3}{16}$
1942 Jan.	132	80 $\frac{3}{4}$
Feb.	131 $\frac{1}{8}$	80 $\frac{7}{8}$
Mar.	129 $\frac{5}{8}$	80 $\frac{1}{4}$
Apr. 29	121 $\frac{1}{2}$	80 $\frac{3}{8}$

London. The prices charged for wheat by the British Ministry of Food show little change. The fall of 1/- per qr. in the price of Argentine wheat as shown below is probably a temporary movement as Argentine wheat was quoted at 24/3 per qr. on April 27th.

WHEAT PRICES - LONDON

per quarter, f.o.b. sterling.

End of month.	No.1 Manitoba	Rosafe (Argentine)	Australian.
	s. d.	s. d.	s. d.
1937 June	51 7 $\frac{1}{2}$	not quoted	45 0
1938 June	39 7 $\frac{1}{2}$	33 6	31 7 $\frac{1}{2}$
1939 June	26 7 $\frac{1}{2}$	not quoted	23 0
1940 June	29 9	" "	26 9
1941 March	32 1 $\frac{1}{2}$	20 4 $\frac{1}{2}$	27 6
October	31 0	21 6	27 6
November	31 9	22 0	27 6
December	33 10 $\frac{1}{2}$	22 4 $\frac{1}{2}$	27 6
1942 January	35 7 $\frac{1}{2}$	22 7 $\frac{1}{2}$	27 6
February	33 1 $\frac{1}{2}$	22 1 $\frac{1}{2}$	27 6
March	33 3	22 1 $\frac{1}{2}$	27 6
April 29	33 6	21 1 $\frac{1}{2}$	27 6 ^x

^x Old season's crop. New season's crop quoted at 28/6 per qr. F.a.q. standard higher than old season's crop.

Australia. As from 20th April, the Australian Wheat Board reduced by 6d. a bushel the price of wheat for stock or poultry feed.

The Australian Wheat Board's price for wheat for flour for home consumption is unchanged at 3/11 $\frac{1}{4}$ per bushel. There have been no recent inquiries for wheat for export flour.

1942-43 CROP PROSPECTS.

U.S.A. The condition of the U.S.A. winter wheat crop is satisfactory except for some districts that were flooded in the autumn.

Europe.....

Europe. Lack of fertilisers and suitable labour are restricting production. Prospects for the 1942 crop have been further jeopardised by late seeding under unsuitable weather conditions.

Floods have occurred in the Danube basin. The effect on crops is not yet known. Cable reports in mid-April state that the weather was excellent but harvest does not begin until July.

Eire. Winter wheat is in good condition. A substantial increase in the acreage under spring wheat is expected.

Australia. A considerable reduction in wheat acreage is expected due to shortage of labour and superphosphate. Trade estimates place the probable reduction at over 20%. In some areas there has been a substantial conversion of wheat areas to pasture or to oats which is less dependent on fertilisers than wheat.

Conditions for sowing are generally unsatisfactory because of lack of rain. In south-eastern Riverina there was only about half the usual amount of fallow, but something like 80% of the normal acreage may be sown if good rains are received.

INTERNATIONAL WHEAT CONFERENCE.

It has been reported that an agreement would be concluded at the end of April. It has not yet been published.